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A Spatio-temporal Analysis of Agricultural Prices: An Application to Colombian Data

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This paper studies whether the geographical separation of markets constitutes a factor that helps explain the dynamics of agricultural prices. To do this, we employ a highly disaggregated dataset for Colombia that consists of weekly observations on wholesale prices for 18 agricultural products traded in markets scattered around the country. The sample period spans for almost a decade. According to our results, which are based on generalised impulse response functions, distance (and thus transportation costs) is a factor that helps explain the speed at which prices adjust to shocks in other locations, thus confirming that price adjustments take longer for markets farther apart.

Fuente: https://www.banrep.gov.co/en/borrador-734